

Written Public Comment Received for PDC Request Legislation DRAFT

Prepared for PDC Meeting 10.28.21

Comment Received

- I. Tom Perry
 - II. Josie Olson
 - III. Abbot Taylor
 - IV. Ted Cooke
 - V. Conner Edwards, Jason Michaud, Tom Perry
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IV. Tom Perry

I have already commented on the new proposed legislation with two other professional treasurers, but I wanted to add just a few comments. I will address each bullet point from the proposal.

1. Weekly C3 reports starting earlier. Nothing wrong with this. It keeps me on my toes and keeps things current. BUT, the expansion of C4s to weekly reporting to a month before both elections would make things extremely difficult for anyone responsible for reporting for multiple campaigns. It is already nearly impossible to collect the information I need from my campaigns in order to file the 3 week and 1 week reports. I ask for details, and many times don't get what I need from the candidate. In my opinion, expanding this to weekly would result in two unintended results:
 - a. More missed debt and expense reporting.
 - b. An overall drop in accuracy of reports. I personally will be forced to represent fewer campaigns because I can't physically complete the work in the allotted time. There will be more amateurs out there filing, and with that will come more inaccurate reports.
2. Longer public inspection. I have no problem with this because only about 1% of my campaigns get this. Most people don't care enough to ask to inspect the books.
3. Political ads reporting extended. Nothing wrong with this.
4. Expanding the LMC reporting. I have a BIG problem with this, except for the next proposal.
5. Raising the LMC limit to \$2000. YES YES YES. Thank you. This didn't used to be a problem when the contribution limit was \$950. Once the limit was raised to \$1000 it became a major pain to deal with this. Thank you again.
6. Large deposits to be deposited within two days. I understand the idea behind this, but it doesn't work logistically. For most of my campaigns I do the banking. So if a campaign receives a \$2000 check there is no possible way for it to reach me through the mail in time to deposit it. That means the candidate has to deposit the check. And when the candidate is responsible for depositing checks bad things often happen. They wait around too many days, forget to tell me about it, etc. I suggest that this entire idea be scrapped. Having the LMC report option or filing the C3 works just fine the way it is.

Thank you,
Tom Perry

II. Josie Olson

To Whom It May Concern,

I am a professional treasurer with experience in several jurisdictions including Washington State. My colleagues at Blue Wave and I have been following the proposed rule changes and have summarized our comments below:

- **Weekly Contribution reporting** - The proposed change means weekly reports would start prior to filing week. Potential candidates can drop out, decide at the last minute to run, and everything in-between before filing to be on the ballot. It doesn't seem that weekly filing before ballots are finalized would add to transparency, and may make compliance more confusing.
- **Weekly Expense reporting** - C4 Reports, when done well, have descriptions and detail that take time to generate. Four reports due within 24 hours of the end of a reporting period could be burdensome on campaigns with volunteer treasurers. I'm also curious what the implications of such reporting would have on debt reporting requirements. Campaigns often receive last minute quotes for ad buys, mailers, and other large expenditures during the pre-election weeks. Do we only report items that are finalized? Will there be more clarity on what constitutes a reportable debt, and if debts can fall off reports easily?
- **Public Inspection**- Assuming C4 reports would be filed regularly along with contribution reports, the ten days before an election is still enough time for the public to inspect books. There will be more information publicly available for a longer amount of time. I think it is very likely having a long period will instead be used as a political nuisance. For example, all of the requests I have ever received for public inspection are driven by partisan politics with the exception of one, which was a reporter requesting to see a Seattle campaign's books. The proposed change almost guarantees that public disclosure laws will be used as a coordinated partisan tool of disruption and distraction instead of the intended use of transparency.
- **Deposits for LMCs** - The two-day deposit limit can be incredibly hard if not impossible to comply with, as many people have learned in the context of the COVID pandemic. Many banks have not resumed pre-pandemic banking hours and staff levels. They also have daily and monthly limits on mobile deposits.

Thank you for your consideration,

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III. Abbot Taylor

PDC-

Thank you for providing an opportunity to give feedback on your proposed changes for the 2022 legislative session. While I do see the reasoning behind many of these, there are some proposals that I would like to see adjusted before the final draft.

Earlier Weekly C3 Reporting

While this proposed change would make more information available earlier, it doesn't make sense to require weekly reports before filing week. Until a candidate pays their filing fee, they may or may not be on the ballot, and increasing the regulatory burden on candidates before they are officially candidates seems excessive. I would like to see the weekly reporting start when it does currently, at the beginning of June.

Weekly C4 Reporting

This proposal is the most troubling to me as a treasurer. The C4 reports are complex and detailed reports, and getting them right is one of the most difficult tasks in treasury. The number of clients I can work with each year is directly related to how many C4s I can prepare in one day on the four days a year the C4 is due with 24 hour turn around, and I worry about the increased workload if that number of C4 days increases to 12 or 18. Given that the FEC and forty-eight other states give more time to prepare and file their C4-type reports than we do currently, I don't understand why Washington needs more frequent and faster produced reports than the rest of the country.

However, I do understand that providing more expenditure information in a more timely fashion could be better for the public, so I have a suggestion. Take June and make it a separate report, and then biweekly reports through July and August, and similarly, make September a separate report and then biweekly reports through October & November.

One additional consideration, if you do move forward with the weekly C4 proposal. Given that weekly C3s are due on Mondays, I would like to see whatever form this new C4 takes be due on Tuesdays, as they are now. That will provide at least some working time to prepare them.

Large Last Minute Contribution Deposits

I support the expanded LMC reporting window and the increase in the LMC threshold, but I do take issue with the new two-day requirement for large deposits. Some of my clients receive their own mail and then forward to me for depositing, and I worry about the time it will take between when they receive a donation and when I can deposit it, especially as the USPS delivery times grow. Additionally, creating a two-tier deposit schedule will lead to more confusion around deposit times and reporting.

If the goal for the two day deposit and the new LMC rules, as stated in the PDC meetings, is to give campaigns a little more time to prepare the LMCs, then another solution would be keeping the same deposit window we currently have but increasing the LMC window from 48 hours to 72 hours.

Balancing the duty to the public while not making campaign reporting inaccessible to all but the professional treasurers is a tough line to walk, and I thank the PDC for considering the feedback from those who have to follow their rules. Please be considerate of the massive increase in

reporting required that would come from these changes, how these changes will limit the number of campaigns able to hire professional treasurers, and the increase in filing errors and incomplete reports that this will bring.

Abbot Taylor, Treasurer

IV. Ted Cooke

I'm against disclaimers on endorsements or ads from previous elections Such provisions would *highly favor* incumbents and monied candidates, who often would have money for new ads or materials when a poorer candidate would not.

Campaign Compliance Solutions, LLC

V. Conner Edwards, Jason Michaud, Tom Perry

Public Comment on PDC Legislative Agenda

To Whom it May Concern:

We, the undersigned, are professional campaign treasurers who work for Washington State candidate committees and political committees.

We write in opposition to one of the items on the PDC's proposed legislative agenda for 2022: the proposal which would replace the 21-day and 7-day pre-election C4 reporting deadlines with weekly reports due on the same schedule as C3 contribution reports, beginning the month before the election. Our understanding is that the Commission would like to change the law to be more in sync with the all mail-in elections our state has held since 2011.

While we understand this concern and feel some thoughtful changes may be warranted, this proposed solution is completely unworkable. We ask that the Commission please consider our perspective.

It is true that treasurers currently file C3 reports (disclosing contributions) on a weekly basis during the 5 months prior to the general election. Then why is there an issue with requiring treasurers to file C4 reports every week in the month prior to the general election?

The issue stems from what we are required to do in order to file timely, accurate, and compliant C4 reports. First, we must review the bank statement to gather the information about expenditures. Then, we have to gather any legally required details about each expenditure that we are still lacking. This is the most time-consuming part of filing C4 reports because it typically involves multiple "scavenger hunts" to track down the necessary information. This requires multiple communication attempts with the candidate, campaign staff, or vendors. It is not uncommon for hours to go by before our inquiries are answered. Sometimes they are not answered at all. The new descriptive requirements being implemented by PDC staff - without prior opportunity for public comment and without a vote of the Commissioners - have been making this task even more difficult in the last few months.

Next, we must determine if there have been any in-kind contributions, debts, or pledges that must be reported. This information does not show up on bank statements so once again we have to try to get ahold of the candidate, a campaign staffer, or vendors to get this info. Then, we have to make sure that the C4 has been completely reconciled with the bank account and that every cent coming in and going out is accounted for. But even once we have finished the reconciliation, the process is not finished: per state law, we are required to send a draft of the report to the candidate and get the candidate's approval to file. Again, usually many more hours go by before any response is received.

Imagine doing all this for twenty different campaigns on the single day we are currently afforded to file these reports. Under the current proposal, this would have to happen significantly more often.

But that's not the worst part. Currently the 21- & 7-day pre-election C4 reports are due on Tuesdays; C3 reports are due on Mondays. Under this current proposal, *both the C4 reports and the C3 reports must be completed and filed by the exact same day*. There are simply not enough hours in the day for treasurers to file timely, accurate, and compliant C4 reports in addition to

the C3 reports we already must file on the same day. **Public Comment on PDC Legislative Agenda**

We understand the PDC's desire to change the C4 reporting schedule in light of the mail-in system Washington State has had since 2011. However, we do not see how the current C4 reporting schedule is inadequate in any meaningful way. The current reporting schedule seem to have worked well over the last 10 years.

We would be interested in hearing alternative proposed C4 reporting timelines that: a) allow us more than one business day from the end of the period covered to prepare & file the report, b) do not place the deadline for filing C4 reports on the same day that C3 reports are due, and c) do not represent a significant overall increase in the amount of work that we currently have to perform.

In closing, we would like to note that the PDC has not yet solicited the opinion of other treasurers about this proposal to dramatically modify the C4 reporting deadlines. The only substantive outreach that seems to have occurred at this point is that the 70-page PDF of the agency's draft legislation has been posted to the website and it has been on the agenda for August & September's meetings. We believe the agency's new e-newsletter "DISCLOSURES" would be a great tool for the PDC to poll treasurers (both professional & volunteer) for their opinion on this proposed change.

We urge the PDC to reach out to other campaign treasurers to solicit a broader array of feedback *before* asking the Legislature to support this ambitious proposed change to current C4 reporting deadlines.

Sincerely,

Conner Edwards, Tom Perry, Jason Michaud

Campaign Treasurer Campaign Treasurer Campaign Treasurer